The Public debt stands at Rs. 100 lakhs, the 5 per cent loan which matured in the current year having been converted into one of 3 per cent, the loan amount itself being reduced from Rs. 75 to Rs. 70 lakhs. Against this, reserves comprised of the Revenue Reserve Fund, the Securities Depreciation Fund and Sinking Fund will stand at Rs. 69·65 lakhs, (Rs. 51·75 lakhs under Revenue Reserve Fund and Rs. 1·40 lakhs under Securities Depreciation Fund and Rs. 16·50 lakhs under Sinking Fund). The year is expected to close with a cash balance of Rs. 88·62 lakhs.

Fortunately for Cochin, not only have we none of the colossal losses suffered by countries affected by the war but the wealth of the State is raised by the opportunities of employment, industries and business in all walks of life afforded by the war and this condition is reflected in the Budget before you. The net asset is steadily rising and it will stand at Rs. 158·14 lakhs at the end of 1120. With this financial foundation Government can boldly venture on schemes of post-war reconstruction that will bring material prosperity to the people at large.

CAPITAL OUTLAY

Times are admittedly not propitious for undertaking large schemes of capital outlay in view of the dearth of labour and materials, let alone the inflated values of these. Important schemes have perforce to be deferred to post-war periods but those contributing to an addition to the quota of food materials cannot wait. It is therefore proposed to carry on with the Chalakkudi Irrigation Scheme and the Thanikkudam Scheme for which Rs. 5·00 lakhs is provided. Preliminary investigations are over in respect of the first, and the work is expected to be pushed through vigorously in the course of the next year and a sum of Rs. 3·00 lakhs is provided. The Thanikkudam scheme estimated to irrigate about 24,000 acres is well in hand and investigations are likely to be completed this year itself. The work will be in full swing next year and a sum of Rs. 2·00 lakhs is provided.

Communications.—Under works of communications, the major item is the Anamalais Road Work. Despite difficulties of labour, materials, non-availability of good contractors and other handicaps, sufficient progress has been made in the execution of this work and the first section of the road covering a d stance of about 17 miles will be made fit for traffic by October, 1944. The survey of the second section and the remaining items of work in this section are to be pushed through next year for which a provision of Rs. 6·94 lakhs has been made.

Nelliampathi Cultivation.—It is proposed to start fruit and vegetable cultivation on an experimental scale on the Nelliampathi Hills. 500 acres of land are to be brought under cultivation. 400 acres with potatoes and 100 with fruit trees. Financial considerations apart, the scheme is sure to add to the quantity of vegetables now available in the plains and is calculated to relieve the scarcity experienced in this direction. The scheme has been already taken in hand and a sum of Rs. 0·53 lakh is provided in the Revised estimate and Rs. 0·87 lakh in the Budget estimate.

Goat Farm.—Goat farming has not been developed in the State to any appreciable extent. In view of the possibilities of cheap supply of milk of a highly nutritive and medicinal value, a small experimental farm with a herd of 52 goats of good variety is to be started at the Ollukkara Central Farm at a cost of Rs. 10,000 the major portion of which is to be utilised in this year itself.

Ayurvedic Hospital. The sales section has proved itself to be popular and the profits estimated are about Rs. 40,000. A sum of Rs. 25,000 is provided for purchasing vessels and utensils for the Hospital.

The other items are usual routine ones and do not call for any special comment.

CRANGANUR

Cranganur continues to present an anxious problem despite the general improvement in national wealth resulting from the War. The revenue of Rs. 2·31 lakhs anticipated in the Budget of the current year improves to Rs. 2·73 lakhs and Rs. 2·90 lakhs for the revised and Budget estimates The increase has been under Stamps, Excise and Registration. Expenditure which was fixed at Rs. 2·63 lakhs is also expected to rise correspondingly to Rs. 2·94 and Rs. 3·20 lakhs with the result that the year is to close with a deficit of Rs. 0·21 lakh followed by a further deficit of Rs. 0·30 lakh for the next year. Utmost economy is being exercised. Various concessions in debit beginning with a lump sum contribution of Rs. 10,000 from the State towards establishment charges, exemption from any charges for the supervision of high officers, etc., are given; hookworm campaign costing over Rs. 11,000 is to be undertaken in Cranganur at the expense of the State and a Health Centre is proposed to be opened also at State cost. With all this,

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the resources are proving themselves to be inadequate to the expenditure. The Principality is having amenities and a standard of administration on the same high level as the State in all directions without regard to limitations of resources with the inevitable result of recurring deficits year after year. It is difficult to devise a solution; it is however sure that the State will continue to help and nurture her as in the past.

CONCLUSION

Sir, I have done. Our financial position so far has been quite sound and stable in spite of the universal stress and strain. Holding fast to well recognised principles of public finance we have till now steered clear of the shoals and dangers of a storm-tossed sea; but in the distant horizon is visible some dark clouds foreboding that the post-war period may not be as peaceful a smooth-sailing as hitherto. The economic blizzard which blasted all countries during the period following the last war cannot but be fresh in our memory. Many of the sources of our present high revenues may, for obvious reasons, possibly shrink or disappear. On the other hand, the expenditure will have a tendency to stick to the present level. In addition we may have to find funds for public utilities and post-war reconstruction schemes for which the Revenue Reserve Fund we are building up may not be adequate enough even to touch the fringes of the problem. New measures of taxation and fresh sources of revenue and all possible economies may then have to be thought of.

We are however, fortunate in that we have a legislature on whom we can always depend for guidance and co-operation, a Minister possessing the confidence of the House on whose support we can always count and above all 'a Sovereign whose sole pre-occupation is the progressive welfare of his subjects and who is assisted by a statesman whose breadth of vision and capacity for service are universally recognised. There is nothing that the State could not achieve under such inspiring circumstances'.

SUPPLEMENTARY GRANTS—*(cont.)*

76. Rs. 50,000 under "29—A—Civil Engineering—Irrigation Original"—*(cont.)*

Mr. M. Krishna Menon *(Trichur-North)*: Sir, on a point of information, may I know whether any amount out of the Rs. 22,580 shown against item No. 4 in the details has been recovered from the tenants who are really benefitted by the scheme?

Mr. V. K. Aravindaksha Menon *(Chief Engineer)*: The whole of this Rs. 50,000 is proposed to be got back.

Mr. P. Kumaran Ezhuthassan *(Vadakkancheri)*: In the light of that answer, may I know whether similar recoupments were made in regard to the expenditure in the year 1118.

Mr. V. K. Aravindaksha Menon *(Chief Engineer)*: For the year 1118 no recoupments were made. Government specially ordered that no equipments need be effected on account of the floods and other such circumstances. But this year it has been definitely ordered that this money should be recouped from the kole land owners.

Mr. P. Kumaran Ezhuthassan *(Vadakkancheri)*: May I know whether this amount has been expended already, or whether it is to be expended hereafter.

Mr. V. K. Aravindaksha Menon *(Chief Engineer)*: The payment of compensation has not been made.

Mr. M. Krishna Menon *(Trichur-North)*: May I know the total area of land affected by this scheme, and also the land actually benefitted by this scheme.

Mr. V. K. Aravindaksha Menon *(Chief Engineer)*: The area which was used for the storage of water is 608 acres. Of this 318 acres have already been given back to the cultivators for cultivation, so that the net area which had to be left fallow this year is only about 300 acres.

Mr. M. Krishna Menon *(Trichur-North)*: May I know the total number of tenants who were actually prejudiced by this scheme as also the number of tenants who were actually benefitted by this scheme.

Mr. V. K. Aravindaksha Menon *(Chief Engineer)*: The area benefitted by this scheme is about 12 thousand acres.

Mr. M. Krishna Menon *(Trichur-North)*: I mean the number of tenants.

Mr. V. K. Aravindaksha Menon *(Chief Engineer)*: About the number of tenants, I have no clear idea.

Mr. A. V. Moothedan *(Chalakkudi)*: What is the additional quantity of paddy expected from these lands?

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